

RAJESWARI FOUNDATIONS LIMITED

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16th Annual Report
2008 -2009

Disclaimer

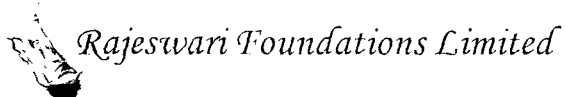
In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set our anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statement by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projects.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Corporate Information

Board of Directors

Shri G.RAMAMURTHY	<i>Chairman & Managing Director</i>
Smt R. USHA	<i>Whole-time Director</i>
Shri D.SEKARAN	<i>Director</i>
Shri N.P. JAGANATHAN	<i>Director</i>
Shri K.V.SAMBAVADASS	<i>Director</i>

Company Secretary Shri AMRITLAL BISANI

Bankers

Indian Overseas Bank
Standard Chartered Bank
Corporation Bank
Kotak Mahindra Bank

Auditor

SHRI R.SUNDARARAJAN
Chartered Accountant

Registered Office

B-3, 'C' Block, 3rd Floor
Parsn Paradise Apartments
109, G.N. Chetty Road
T.Nagar, Chennai - 600 017.
E-mail : rajeswarifoundationsltd@yahoo.com
Website : www.rflindia.org

Registrar & Share Transfer Agent

Cameo Corporate Services Limited
Fifth Floor, Subramanian Building,
No.1, Club House Road, Chennai - 600 002.
Tel. No. : 91 - 44 28460390 / 91 / 92 / 93
E-mail : cameosys@satyam.net.in

REALITY RELIABILITY ROBUST

*Rajeswari Foundations Limited***NOTICE TO THE MEMBERS**

Notice is hereby given that the Sixteenth Annual General Meeting of the Shareholders of the Company will be held on Thursday the 24th September 2009 at 11.45 P.M. at Narada Gana Sabha (Mini Hall), at 314 T.T.K. Road, Chennai-600 018 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the profit and loss Account for the year ended 31st March 2009, the Balance Sheet as at the date and the Auditors' Report there on.
2. To declare a dividend of 11% on equity shares
3. To elect a director in place of Mr. K.V. Sambavadass who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. N P Jaganathan who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and for this to consider and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

"RESOLVED THAT the retiring Auditor R. SUNDARARAJAN, Chartered Accountant, be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of section 21 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 if any, and subject to the approval of Registrar of Companies the name of the company be changed from RAJESWARI FOUNDATIONS LIMITED to "RAJESWARI INFRASTRUCTURE LIMITED" and the name of Rajeswari Foundations Limited, wherever it appears in the Memorandum of Association and Articles of Association, documents etc., be substituted by the new name as "RAJESWARI INFRASTRUCTURE LIMITED" in due course.

RESOLVED FURTHER THAT Sri. G. Ramamurthy Managing Director, be and is hereby authorized to make an application to the Central Government (Registrar of Companies) seeking their approval for change in name of the Company and after receipt of approval to obtain a fresh certificate of incorporation in terms of Section 23 and thereafter to change the name of the Company in all documents, books of accounts etc.

7. To consider and if thought fit, to pass with or without modification, the following Resolution an Ordinary Resolution.

RESOLVED THAT pursuant to provisions of sections 94 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the company be and is hereby increased from Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity shares of Rs.10 (Rupees Ten Only) each to Rs. 15,00,00,000 (Rupees Fifteen Crores only) by creation of 50,00,000 (Fifty lakh only) Equity shares of Rs.10/- (Rupees Ten only) each ranking pari- passu with the existing Equity shares of the Company.

Rajeswari Foundations Limited

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

RESOLVED THAT subject to the provisions of the Section 16 of the Companies Act, 1956 and all other relevant provisions, if any, the existing Clause V of the Memorandum of Association of the Company relating to the Share Capital be and is hereby altered by substituting in its place, following new clause:

- V. The authorized share capital of the company is Rs.15,00,00,000 (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Only) Equity Shares of Rs.10/- (Rs. Ten only) each with power of the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preference, priority or special privileges or subject to any postponement of right or to any conditions or restrictions, so that unless the conditions of issue shall otherwise subject to the power herein contained.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

RESOLVED THAT subject to the provisions of Section 31 of the Companies Act, 1956 and all other relevant provisions, if any, the existing Clause 4 of the Articles of Association of the Company relating to the Authorised Share Capital be and is hereby altered by substituting the following new Article:

4. The Authorised share capital of the Company is Rs.15,00,00,000 (Rs. Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs only) Equity shares of Rs.10/- (Rs. Ten only) each with power s to increase or reduce the same in accordance with the provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as it may deem fit and proper in this regard.

Chennai
26th June, 2009

By order of the Board

G. Ramamurthy
Chairman & Managing Director

Registered Office
B-3, C-Block, 3rd Floor,
Parsn Paradise Apartments,
New No.49, Old No.109, G.N. Chetty Road,
T.Nagar, Chennai-600 017.

*Rajeswari Foundations Limited***NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY SHOULD BE LODGED WITH THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**

Revenue Stamp for 15 paise should be affixed on the Proxy Form. Forms which are not stamped or inadequately stamped are liable to be considered invalid. Further, for identification purposes etc., it is advisable that the proxy holder's signature may also be furnished in the Proxy Form.

2. Explanatory Statement pursuant to the provisions of section 173 (2) of the Companies Act, 1956 is annexed.
3. Members who are holding Company's shares in dematerialized form are requested to bring details of their Depository Account Number for identification.
4. The Registrar of members and Share Transfer Books of the Company will remain closed from Friday 18th September 2009 to Thursday 24th September 2009 (both days are inclusive)
5. Securities and Exchange Board of India (SEBI), vide Circular No.MRD/DoP/Cir-05/2009 dated May 20, 2009, has informed that in respect of Securities Market transactions and off-market/private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferees to furnish copy of PAN card to the Company/Registrars and Transfer Agents for registration of such transfer of shares.

In view of the above circular dated 20-05-2009, all requests for transfer of shares received after 20.05.2009 will be processed only if the requests are accompanied by a copy of the PAN card.

6. Corporate members are requested to send a duly certified copy of the board resolution/power of attorney authorizing their representative to attend and vote at the annual general meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at any early date so as to enable the Management to keep the information ready.
8. After declaration of the dividend at the Annual General Meeting, the Dividend Warrants are scheduled to be posted on or after September 24, 2009. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership, as per details to be furnished for this purpose by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
9. Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar and Transfer Agent, Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai-600 002. Members holding shares in electronic form may intimate any such change to their respective Depository Participants (DPs).
10. The equity shares of the Company are available for trading in dematerialized form (scripless trading in electronic form) through Depository Participants. The ISIN Code is INE 016C01014
11. Pursuant to the provisions of Section 205A of the Companies Act, as amended, read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, dividend which remain unpaid or unclaimed for a period of 7 years will be transferred to the investor Education and Protection Fund of the Central

Rajeswari Foundations Limited

Government, shareholders/investors who have not encashed the dividend warrant(s) so far are requested to make their claim to the Secretarial Department, B-3, "C" Block, 3rd Floor, Parsn Paradise Apartments, No.109, G.N. Chetty Road, T.Nagar, Chennai-600 017. Shareholders are requested to please note that once the unclaimed dividend is transferred to the Central Government, no claim shall lie in respect thereof.

The particulars of due dates for transfer of such unclaimed dividend to Investor Education and Protection Fund are furnished below:

Financial year	Date of Declaration of Dividend	Date of Transfer to Special Account/ Unclaimed Account	Date of Transfer to IEPF
2005-2006 (Interim Dividend)	04.01.2006	04.02.2006	04.02.2013
2005-2006 (Final Dividend)	07.09.2006	07.10.2006	07.10.2013
2006-2007	26.09.2007	26.10.2007	26.10.2014
2007-2008	26.09.2008	26.10.2008	26.10.2015

Chennai
26th June, 2009

By order of the Board

G. Ramamurthy
Chairman & Managing Director

Registered Office
B-3, C-Block, 3rd Floor,
Parsn Paradise Apartments,
New No.49, Old No.109, G.N. Chetty Road,
T.Nagar, Chennai-600 017.

INFORMATION ABOUT DIRECTORS SEEKING RE-APPOINTMENT IN THIS ANNUAL GENEAL MEETING IN RESEPT OF RESOLUTION NO.3 AND 4 ABOVE

(In accordance with Clause 49 VI of the Listing Agreement)

Name of the Director	Age	Qualification	Other Directorship(s) if any	Committee Memberships
K.V. Sambavadass	63	DAE	Nil	Nil
D. Sekaran	52	Graduate	Nil	Nil

*Rajeswari Foundations Limited***ANNEXURE TO NOTICE****Explanatory Statement as Required Under Section 173 of the Companies Act, 1956****ITEM NO.6:**

The present name does not convey the magnitude of operations of the Company and expresses only part of its activities.

For some time the directors have been giving thought to changing the name of the Company. The new name proposed contains "RAJESWARI INFRASTRUCTURE" which reflects our group identity and reflects the operations of the company and the full name "RAJESWARI INFRASTRUCTURE LIMITED" reflects the operations of the Company.

The Registrar of Companies, Chennai has confirmed that the new name is available for registration under section 21 of the Companies Act, 1956 and subject to the resolution being passed an application will be made to the Registrar of Companies for confirmation to the change of name.

The Directors trust that this change of name will have the members' support and approval.

No Director has any interest in this Resolution except as a member of the Company.

ITEM NO.7, 8 AND 9

To enable the Company to raise resources to meet its growth requirements, the Company proposes to issue further shares, thereby increasing its capital base and net worth. To accommodate such further issue, it is necessary for the Company to increase its current Authorised Capital from the present level of Rs.10 Crores to Rs. 15 Crores.

The Board of Directors recommends Ordinary Resolution in Item No. 7 & 8 and Special Resolution for Item No.9 for approval.

None of the Directors are interested in the Resolution.

Chennai
26th June, 2009

By order of the Board

G. Ramamurthy
Chairman & Managing Director

Registered Office
B-3, C-Block, 3rd Floor,
Parsn Paradise Apartments,
New No.49, Old No.109, G.N. Chetty Road,
T.Nagar, Chennai-600 017.

*Rajeswari Foundations Limited***DIRECTORS' REPORT**

To the members

Rajeswari Foundations Limited

Your Directors are pleased to present the 16th Annual Report together with the Audited statement of Accounts for the year ended 31st March 2009.

Financial Results

	Year ended 31.03.2009 (Rs. in lakhs)	Year ended 31.03.2008 (Rs. in lakhs)
Income from operations	1009.78	970.14
Non-operating Income	4.52	6.47
Total expenditure	847.69	828.28
Interest	41.39	32.57
Gross Profit	125.57	115.77
Depreciation	16.56	17.60
Profit before Tax	109.00	98.17
Provision for Current Taxes	42.51	45.66
Provision for Deferred Taxes	2.94	2.86
Fringe Benefit Tax	0.85	0.82
Profit after Tax	62.68	54.56
Balance brought forward from last year	0.07	1.37
Amount Available for appropriation	62.76	55.93
Appropriations have been made as under		
Transfer to General Reserve	1.70	0.50
Dividend (proposed)	52.03	47.31
Dividend TAX	8.84	8.04
Surplus carried to Balance Sheet	0.17	0.08

DIVIDEND

The Directors recommend a dividend of Rs.1.10 per equity shares of Rs. 10 each (11% on paid-up equity share capital) for the year ended 31st March 2009. The aggregate amount of dividend on equity shares for the financial year 2008-09 would be Rs.60.87 Lakhs including dividend tax and surcharge thereon.

OPERATIONAL PERFORMANCE

You will be glad to note that your company achieved a turnover of Rs.1009.78. lakhs as against Rs.970.14 lakhs achieved in the previous year. The earned a gross profit of Rs.125.57 Lakhs Before interest and depreciation as against Rs.115.77 lakhs in the previous year. After deducting interest of Rs. 41.39 lakhs, providing a sum of Rs. 16.56 lakhs towards depreciation, income tax provision of Rs. 42.51 lakhs, the operations resulted in a net profit of Rs. 62.68 lakhs as against Rs. 54.56 lakhs in the previous year.

REALITY RELIABILITY ROBUST

*Rajeswari Foundations Limited***PROJECTS**

Your Company has achieved significant progress in all its current projects and has delivered the projects taken up within the scheduled time.

Having achieved significant experience and expertise in executing of various projects, your Company has created efficient and experienced workforce for all of its divisions.

Your Company's projects in different verticals are handled by dedicated teams. These teams are highly skilled, motivated and are led by professionals who are experts in their respective fields.

The projects are discussed in the Management Discussion and Analysis Report which forms part of this report.

FUTURE PROSPECTS

Going forward, we maintain our positive outlook to maintain the growth momentum for the year 2009-10. The Government of India has given indication for boosting of infrastructure and realities sector. The fall in interest rates will be a significant factor for growth of the sector.

Your Company is pursuing growth opportunities, strategic to its intents and operations. It has all available resources leading to the future, leveraging on all available infrastructural development opportunities.

Future prospects and projects of the Company are provided in detail in the Management Discussion and Analysis Report.

DIRECTORS

Mr. K.V. Sambavadass and N.P.Jaganathan, Directors retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

PUBLIC DEPOSITS

Your Company has not accepted any deposits an, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

Mr. R. Sundararajan, Chennai Chartered Accountant, who are the statutory auditors of the Company retire at the ensuing annual general meeting and is eligible for re-appointment. The retiring Auditor have furnished a Certificate of his eligibility for re-appointment under Section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to be re-appointed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.